

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SHAHVEER CHALLA AND
KARRIE CHALLA

v.

STATE FARM LLOYDS

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CIVIL ACTION NO. _____

NOTICE OF REMOVAL

PLEASE TAKE NOTICE that Defendant, State Farm Lloyds, hereby removes to this Court, the State Court action described below.

Procedural Background and Parties

1. On or about February 19, 2016, Shahveer Challa and Karrie Challa filed Plaintiffs' Original Petition in Cause No. 2016-10720 in the 165th Judicial District Court of Harris County, Texas, initiating an action identifying State Farm Lloyds as the Defendant.

2. State Farm Lloyds received the Citation and Plaintiffs' Original Petition on or about March 1, 2016. Defendant State Farm Lloyds filed an Original Answer and Request for Jury Trial, and is filing a Notice of Removal of Civil Action in the State Court action.

3. At the time this action was commenced, Plaintiffs were, and still are, citizens of Texas. Shahveer Challa and Karrie Challa are natural persons residing in Houston, Harris County, Texas; and, thus, is a citizen of Texas.

4. Defendant State Farm was at the time this action was commenced, and still is, a citizen of Illinois. State Farm is a "Lloyd's Plan" organized under chapter 941 of the Texas Insurance Code. It consists of an unincorporated association of underwriters who

were at the time this action was commenced, and still are, all citizens and residents of Illinois, thereby making State Farm a citizen of Illinois for diversity purposes. See *Royal Ins. Co. of Am. v. Quinn-L Capital Corp.*, 3 F.3d 877, 882-83 (5th Cir. 1993) (citizenship of unincorporated association determined by citizenship of members). Therefore, complete diversity of citizenship exists between Plaintiffs and Defendant State Farm.

Nature of the Suit

5. In their Original Petition, Plaintiffs allege multiple claims and causes of action against State Farm Lloyds including breach of contract, prompt payment of claims - violation of Texas Insurance Code §542, et seq., unfair insurance practices - violation of Texas Insurance Code §541, et seq., DTPA - violations of Texas Business and Commerce Code §17.46, et seq., and misrepresentation. Plaintiffs further allege State Farm Lloyds committed deceptive trade practices and unfair insurance practices “knowingly” and “intentionally,” as that term is used in the applicable statute. Plaintiffs also assert that State Farm Lloyds breached the common law duty of good faith and fair dealing.

Basis for Removal

6. This Court has original jurisdiction under 28 U.S.C. § 1332 over this civil action, and the action may be removed by Defendant pursuant to 28 U.S.C. § 1441(b), in that it is a civil action between citizens of different states, and the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs.

Removal is Procedurally Correct

7. Plaintiffs filed their Original Petition on or about February 19, 2016. State Farm received the citation and Plaintiffs’ Original Petition on or about **March 1, 2016**.

Therefore, State Farm has filed this Notice of Removal within the 30-day time period required by 28 U.S.C. § 1446(b). Also, this Notice of Removal is being filed less than one year after the commencement of the State Court Action. Additionally, Plaintiffs' Original Petition expressly alleges damages in excess of \$100,000 satisfying the "amount in controversy" requirement of 28 U.S.C. §1332(a).

8. Venue is proper in this district under 28 U.S.C. § 1446(a) because this district and division embrace the place in which the removed action was pending and because a substantial part of the events giving rise to the Plaintiffs' claims allegedly occurred in this district.

9. Pursuant to 28 U.S.C. § 1446(a), all pleadings, process, orders, and all other filings in the state court action are attached to this Notice.

10. Pursuant to Local Rule 81, all documents required by that rule to be filed with this Notice of Removal are attached and indexed.

11. Pursuant to 28 U.S.C. § 1446(d), Defendant will provide prompt written notice of the filing of this Notice of Removal to Plaintiffs, and will file a notice with the Clerk of the 165th Judicial District Court for Harris County, Texas.

Respectfully submitted,

By: /s/ Brian M. Chandler

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ATTORNEYS FOR DEFENDANT

STATE FARM LLOYDS

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served on all parties by and through their attorney(s) of record via the Court's EM/ECF system on this 31st day of March 2016.

/s/ Jill D. Schein
Jill D. Schein